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Attorneys for Interested Party CKDL Credit, LLC

UNITED STATES DISTRICT COURT

DISTRICT OF NEVADA

In re:

CASH CLOUD, INC. dba COIN CLOUD,

Debtor(s).

Case No. BK-23-10423-mkn
Chapter 11

Date of Hearing: February 15, 2023
Time of Hearing: 10:30 a.m.

**CKDL CREDIT, LLC'S JOINDER TO AND DECLARATION IN SUPPORT
OF MOTION FOR INTERIM AND FINAL ORDERS: (I) AUTHORIZING DEBTOR
TO OBTAIN POST-PETITION SENIOR SECURED, SUPERPRIORITY FINANCING;
(II) GRANTING LIENS AND SUPERPRIORITY CLAIMS; (III) MODIFYING THE
AUTOMATIC STAY; (IV) SCHEDULING FINAL HEARING; AND
(V) GRANTING RELATED RELIEF**

Jeffrey R. Sylvester, Esq., of the law firm of Sylvester & Polednak, Ltd., and Jordi Gusó, Esq., of Berger Singerman, LLP, attorneys of record for *CKDL Credit, LLC* ("CKDL" Or "Interested Party"), hereby joins the Debtor's Motion for Interim and Final Orders: (I) Authorizing Debtor to Obtain Post-Petition Senior Secured, Superpriority Financing; (II) Granting Liens and Superpriority Claims; (III) Modifying the Automatic Stay; (IV) Scheduling Final Hearing; and (V) Granting Related Relief [ECF 35], filed on February 8, 2023, for the reasons stated therein, the declaration of John Crane, President of CKDL Credit, LLC, attached hereto as *Exhibit "1,"* the papers and pleadings on file herein, and any oral argument that the

1 Court may entertain at the time of the hearing on this Motion.

2 DATED this 14th day of February, 2023.

3 **SYLVESTER & POLEDNAK, LTD.**

4 */s/ Jeffrey R. Sylvester, Esq.*

5 By: _____

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EXHIBIT 1

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UNITED STATES BANKRUPTCY COURT

DISTRICT OF NEVADA

In Re:
CASH CLOUD, INC. dba COIN CLOUD

Debtor.

Case No. BK-23-10423-mkn
Chapter 11

**DECLARATION OF JOHN CRANE IN
SUPPORT OF MOTION FOR INTERIM AND
FINAL ORDERS: (I) AUTHORIZING DEBTOR
TO OBTAIN POST-PETITION SENIOR
SECURED, SUPERPRIORITY FINANCING; (II)
GRANTING LIENS AND SUPERPRIORITY
CLAIMS; (III) MODIFYING THE AUTOMATIC
STAY; (IV) SCHEDULING FINAL HEARING;
AND (V) GRANTING RELATED RELIEF**

I, John Crane, declare under penalty of perjury as follows:

1. I am over the age of 18, am competent to testify, have personal knowledge of the facts set forth below, and, if called to testify, I could and would testify competently as to the facts set forth herein.

2. I am the President of CKDL Credit, LLC, a Delaware limited liability company and the proposed DIP lender (the "DIP Lender") for the Debtor, Cash Cloud, Inc. d/b/a Coin Cloud (the "Debtor").

3. I make this Declaration in support of the *Motion for Interim and Final Orders (I) Authorizing Debtor to Obtain Post-Petition Senior Secured, Superpriority Financing; (II) Granting*

1 *Liens and Superpriority Claims; (III) Modifying the Automatic Stay; (IV) Scheduling Final Hearing;*
 2 *and (V) Granting Related Relief* (Doc. 35) filed by the Debtor on February 8, 2023, as modified by
 3 *the Notice of Filing Revised: (1) Motion for Interim and Final Orders (I) Authorizing Debtor to*
 4 *Obtain Post-Petition Senior Secured, Superpriority Financing; (II) Granting Liens and Superpriority*
 5 *Claims; (III) Modifying the Automatic Stay; (IV) Scheduling Final Hearing; and (V) Granting*
 6 *Related Relief; and (2) Interim Order Under Bankruptcy Code Sections 105, 361, 362, 363, 364(c)(1),*
 7 *364(c)(2), 364(c)(3), 364(d)(1) and 364(e) and Bankruptcy Rules 2002, 4001, 6004 and 9014 (I)*
 8 *Authorizing Debtor to (A) Obtain Postpetition Financing and (B) Grant Adequate Protection and (II)*
 9 *Scheduling Final Hearing* (Doc. 74) filed by the Debtor on February 13, 2023 (the “DIP Financing
 10 Motion”)¹.

11 4. DIP Lender is a special purpose vehicle related to a family office of investors in the
 12 technology and related sectors.

13 5. In December 2022, representatives of DIP Lender were approached regarding its
 14 interest in providing a secured, post-petition financing facility to the Debtor. On December 23, 2022,
 15 DIP Lender executed a non-disclosure agreement in favor of the Debtor and was granted access to
 16 the virtual data room maintained by the Debtor and its advisors. Representatives of DIP Lender
 17 commenced undertaking due diligence regarding the Debtor and its operations. Thereafter, the parties
 18 began negotiations regarding the terms of a financing facility.

19 6. On January 23, 2023, the Debtor and DIP Lender executed a Term Sheet
 20 memorializing the material terms of a \$5,000,000 senior secured loan to be provided by DIP Lender
 21 to Debtor. Thereafter, the parties negotiated the terms of the DIP Documents. Those negotiations
 22 included the legal and financial advisors of both parties. The negotiations were conducted at arms’
 23 length and good faith. The DIP Documents are the product of those negotiations.

24 7. Thereafter, representatives of the Debtor, DIP Lender, Genesis Global Holdco, LLC
 25 (“Genesis”) and Enigma Securities Limited (“Enigma”) engaged in extensive, good faith negotiations
 26 regarding the adequate protection to be provided to Genesis and Enigma. Those discussions resulted

27 _____
 28 ¹ Capitalized terms used in this Declaration and not otherwise defined herein shall have the meanings
 ascribed to such terms in the DIP Financing Motion.

1 in revisions to the Interim DIP Order pursuant to which, among other things, the Debtor will provide
2 adequate protection to Genesis and Enigma and each has consented to the Debtor granting DIP Lender
3 senior, priming DIP Liens on the Collateral, all upon the terms set forth in the Interim DIP Order.

4 8. The DIP Documents do not require the DIP Lender receive priming DIP Liens on the
5 Cole Kepro Collateral.

6 9. The DIP Documents memorialize the terms under which DIP Lender is willing to
7 provide financing to the Debtor. I am advised that the Interim DIP Order includes a finding that the
8 terms of the financing have been negotiated in good faith entitling DIP Lender to protections even if
9 the Interim DIP Order is modified, reversed or vacated on appeal (Interim DIP Order at ¶ 5(e)), and
10 grants DIP Lender exculpation (Interim DIP Order at ¶ 21). DIP Lender would not make the loan to
11 Debtor absent the findings and other protections granted to DIP Lender under the Interim DIP Order.

12 10. DIP Lender has provided the Debtor with proof of funds confirming that if this Court
13 approves the financing on terms set forth in the DIP Documents, DIP Lender has the liquidity to fund
14 the loan in its entirety.

15 11. Neither DIP Lender nor any of its officers, directors or managers is an officer, director,
16 manager, shareholder or creditor of the Debtor.

17 12. Aside from the DIP Documents, there are no other agreements or understandings
18 between DIP Lender, on the one hand, and Debtor, on the other.

19 13. This concludes my Declaration.

20 I declare under penalty of perjury of the laws of the United States of America, that the
21 foregoing statements are true and correct to the best of my knowledge, information and belief.

22 Executed this 14th day of February 2023.

23
24 /s/ John Crane
25 John Crane, President of
26 CKDL Credit, LLC
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